Changing location – government policies in the UK

Successive British governments have tried, since 1945, to encourage industry to move to areas of high unemployment. The size and location of these areas of high unemployment have changed over time. Figure 9.15 shows the areas which were regarded as needing the most assistance in 2009. Over the years governments have tried to encourage new industries to reduce unemployment by:

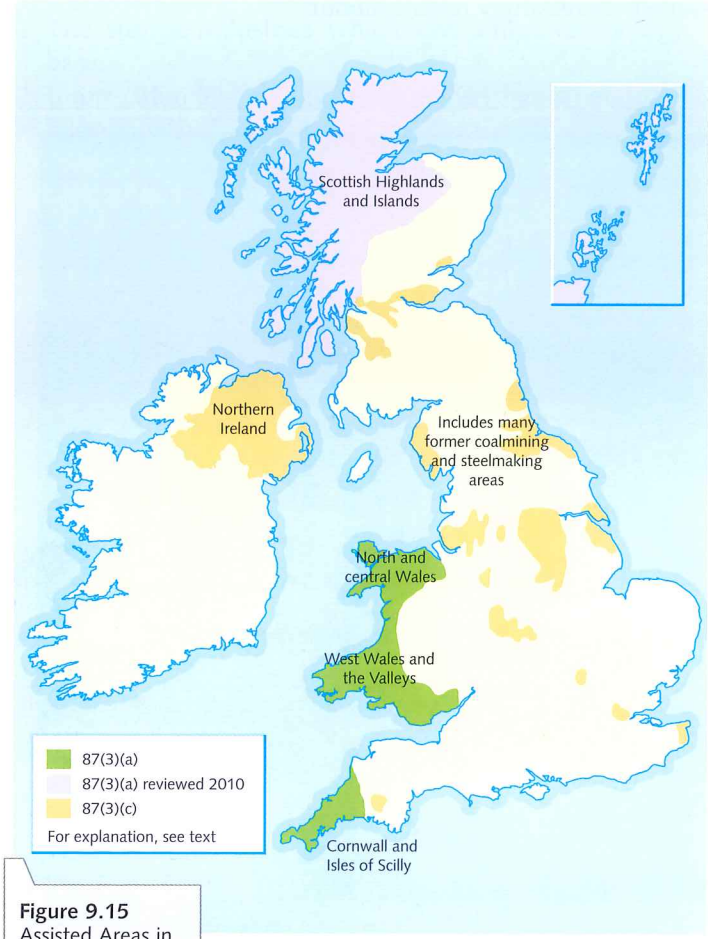


Figure 9.15 Assisted Areas in the UK, 2007–13

- industrial development certificates which control where a firm can locate – these were first issued by the British government in 1947
- the creation of new towns in order to take work to the unemployed
- providing 'advanced factories' and industrial estates with services already present (e.g. roads, electricity)
- financial aid in the form of removal grants, rent-free periods, tax relief on new machinery, and reduced interest rates
- decentralising government offices
- improving communications and accessibility
- subsidies to keep firms going which otherwise would close down
- retraining schemes
- job creation, Manpower Creation Schemes (MCS) and Youth Training Schemes (YTS)
- Enterprise Zones
- assistance from the EU.

Urban Development Corporations (UDCs)

Urban Development Corporations were created by Act of Parliament in 1980. The first two, in London's Docklands and the Merseyside Development Corporation (Figure 9.16), were set up in 1981. Eventually there were 13. The English UDCs were wound down in 1998 and Cardiff Bay in 2000.

UDCs were an attempt by the government to rejuvenate areas, often in the inner cities, which had undergone economic, social and environmental decay. Four of their main tasks were to:

- reclaim and secure the development of derelict and unused land
- provide land for industry, commerce, housing and leisure
- build roads and improve the quality of the environment
- encourage private investment to protect existing jobs and to create new ones.

These tasks were financed jointly by private sector investment and public funds from both the British government and the EU.

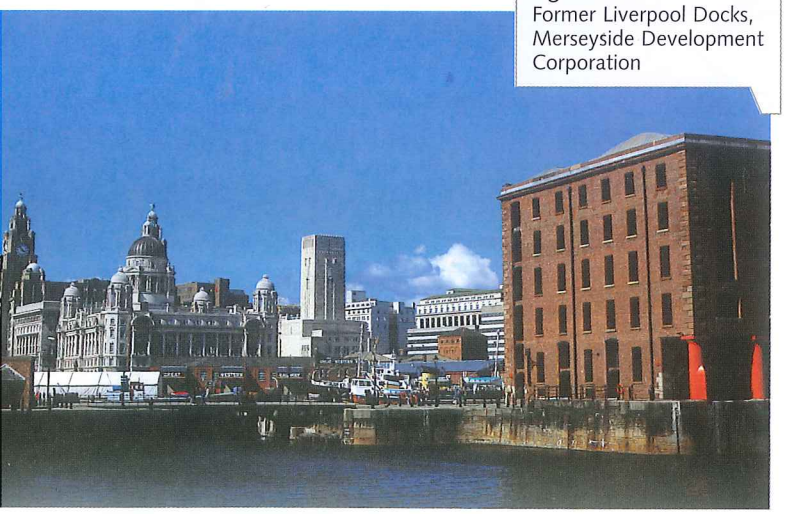


Figure 9.16 Former Liverpool Docks, Merseyside Development Corporation

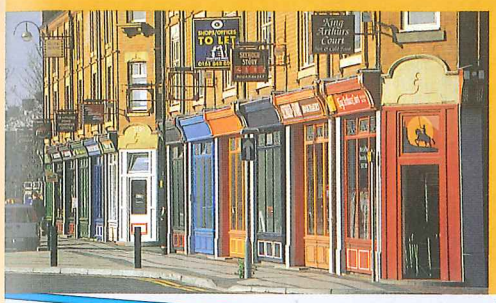
Assisted Areas

Since 2007, areas can only receive financial aid if they conform to EU guidelines. As Figure 9.15 shows, Assisted Areas in the UK can be divided into two groups:

- Article 87(3)(a) of the EU Treaty provides aid to promote economic development where either the standard of living is very low or the level of unemployment is very high.
- Article 87(3)(c) allows aid to be given to certain regions designated by the member states themselves if it is felt that those regions are disadvantaged within that member state.

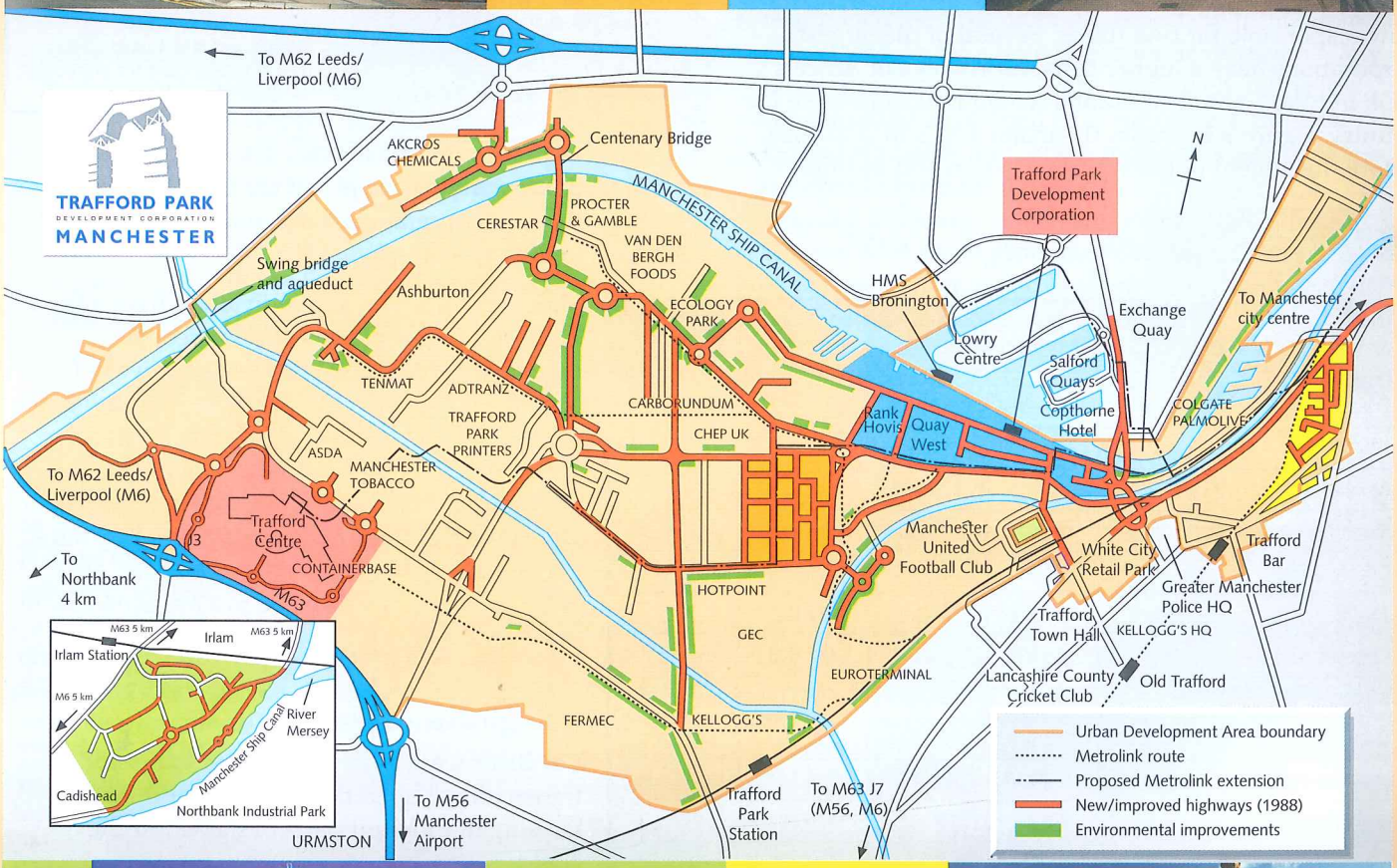
Trafford Park Development Corporation

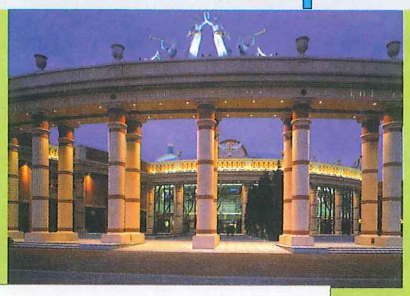
During the early 1980s there was growing concern over the decline of Trafford Park, an area in Manchester which included Britain's first large industrial estate. Early attempts to improve the area included granting it Assisted Area status and, later, parts were designated an Enterprise Zone (page 142). Although these initiatives produced some results, they failed to tackle the underlying problems of an increasingly outdated infrastructure and the lack of attractive development opportunities to encourage investment. In 1987 Trafford Park, and the former steelworks site at Irlam 4 km to the south-west, became an Urban Development area. The Development Corporation identified four main development areas – Northbank Industrial Park, Village, Wharfside and Hadfield Street (Figure 9.17). Most recently opened (1998) is the Trafford Centre, a huge two-level 250-unit retail/recreation complex. The Corporation was wound up in March 1998 having exceeded in all eight of its targets for investment, jobs and new companies attracted.



Village
22 ha. Former housing area in centre of Trafford Park. Seen as the thriving focal point of the new development area.

Wharfside
39 ha. Alongside Manchester Ship Canal. Now a commercial development in an attractive waterside location.





Trafford Centre
Redeveloped to create a large regional shopping centre (see MetroCentre page 63)

Hadfield Street
12 ha. An industrial improvement zone with some 125 small to medium-sized firms.

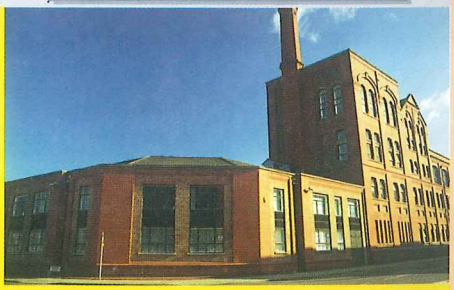


Figure 9.17
The Trafford Park urban development area